

**Testimony on Non Profit Employer Health Insurance**  
**From**  
**Central Iowa Family Planning, Inc.**  
**(CIFP, Inc.)**

To the Health Care Coverage Commission:

Thank you for allowing the opportunity of this testimony with regard to rising costs of health care for non-profit agencies.

Central Iowa Family Planning, Inc. is a small private non-profit family planning clinic that employs 9 full-time (32 hour per week minimum) and 3 part-time employees.

- 3 of the full-time employees covered under spouse plan
- 3 of the full-time employees carry coverage through CIFP, Inc.
- 2 of the full-time employees – per choice – don't have health insurance coverage due to cost to the employee. These individuals are single parents.

Providing competitive salaries let alone competitive benefits is a challenge for our agency. At the present time the agency has health insurance available to all full-time employees if they choose. CIFP pays 80% of the premium for the individual employee with the remaining 20% being the responsibility of the employee. Family coverage is available but the employee must pay 100% of that cost. The policy has an annual deductible of \$1500 for individual and \$3000 for a family.

Over the past five years the agency has changed insurance companies three (3) times to control cost. Cost increases have ranged from 7% to 19%.

- ❖ At no time over the past 5 years has a family policy been affordable for employees.
  - Single parents simply couldn't afford the additional cost so independently purchased a separate bare bones major medical policy or went without.
  - Employees with a spouse also couldn't afford the extra cost and sought other coverage or went without.
- ❖ All co-pays have been increased over the last 2 years. . . the deductible, the pharmacy co-pay, and office co-pays. (The agency looked at even higher deductibles but that seems quite unrealistic considering the employees rate of pay.)
- ❖ Employee contribution has increased from 10% to 20% over the past 5 years.

Today the cost of health care insurance for 3 employees is 3% of the agency annual budget. Operating three clinics on a limited budget and balancing the rising cost of health insurance impacts and reduces dollars for service delivery for clients.

A great concern of small private business is that there is no opportunity to join with others to reduce cost and widen the risk pool. Another issue is that with staff turn over and any change in health insurance needs, the potential to not have enough employees participating affects the feasibility of providing any insurance which was almost our experience 2 years ago. The possibility of a larger risk pool would most certainly decrease costs and assure access. A plan for part-time employees to be able to have/purchase health insurance would be another area to investigate.